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CONTENTS FOR OCTOBER 1938

EMPLOYER-EMPLOYEE RELATIONS IN GREAT BRITAIN 1

HOURLY EARNINGS IN RADIO MANUFACTURING 5

WHAT INTERNATIONAL LABOR CONFERENCES MEAN TO LABOR, by Marion H. Hedges 8

VACATIONS WITH PAY FOR WAGE AND SALARIED WORKERS 11

WORKING WOMEN AND OLD-AGE INSURANCE, by Mary M. Dewson 12

THE WAGE AND HOUR DIVISION OF THE DEPARTMENT OF LABOR 13

EMPLOYMENT AND PAY ROLLS IN AUGUST 1938 14

BUSINESS AND ECONOMIC CONDITIONS IN AUGUST 1938 19

GOVERNMENT EMPLOYMENT AND RELIEF IN AUGUST 1938 20

WHAT HAPPENED TO PRICES IN AUGUST 1938 21

EMPLOYER - EMPLOYEE RELATIONS IN GREAT BRITAIN

In his letter of instructions to the Commission appointed to study industrial relations in Great Britain, President Roosevelt said:

"I feel that there is a definite need for an impartial report which will adequately portray the real situation that prevails in British industry. I trust that through conferring with Government officials, industrial leaders, and labor officials, you will be in a position to report to the Secretary of Labor not only on the exact status of labor-employer relations in England, but also on the evolution of the established procedures that account for the current state of industrial relations in that country."

The unanimous report submitted by the Commission to the Secretary of Labor on August 25 covers industrial relations and a brief history of social and labor legislation in Great Britain, with particular emphasis on the Trades Disputes Act of 1927. A similar report on industrial relations in Sweden was submitted on September 19. The following article is a summary of present employer-employee relationships in Great Britain.*

The recognition by employers and workers alike that strong organizations of employers and workers are necessary and highly desirable for successful collective bargaining is perhaps the outstanding characteristic in the field of labor relations in Great Britain. Employers and employer organizations in Great Britain prefer to deal with strong unions, because a strong union is better able to live up to agreements and is in a better position to bring competitors up to the wage and hour standards of the industry. Similarly, union labor prefers large employer organizations, because they reduce the number of units which remain outside as a constant threat to the standards incorporated in their agreements. In fact, an agreement between a single employer and his workers or between a single employer and a union is not usually described in Great Britain as a "collective agreement." The term is applied only to agreements negotiated collectively by representatives of a group or association of employers and representatives of a union or a group of unions.

LABOR ORGANIZATIONS

The development of labor unions in Great Britain began as early as 1825. By the latter part of the nineteenth century labor unions were well established in a number of industries in Great Britain. Since then the trade-union membership has grown from over 2,000,000 in 1900 to

* The members of the Commission are: *W. Ellison Chalmers*, assistant U. S. Labor Commissioner at Geneva; *William H. Davis*, attorney; *Marian Dickerman*, principal of Todhunter School, New York; *Lloyd K. Garrison*, dean of Wisconsin Law School; *Henry I. Harriman*, former president of the U. S. Chamber of Commerce; *Charles R. Hook*, president of the National Association of Manufacturers; *Anna Marie Rosenberg*, regional director, Social Security Board, New York; *Gerard Swope*, president of the General Electric Company; and *Robert J. Watt* of the American Federation of Labor.

over 4,000,000 in 1914 and over 8,000,000 in 1920. Subsequently it declined to over 5,500,000 in 1925 and approximately 4,390,000 in 1933. At the end of 1936, however, the 1,041 trade-unions in Great Britain and Ireland reported a total membership of over 5,300,000. This represented roughly one-third of the workers estimated as eligible for union membership.

TRADE-UNION MEMBERSHIP IN GREAT BRITAIN

INDUSTRY GROUPS	TOTAL MEMBERSHIP AT END OF 1936
Total	5,308,000
Agriculture, horticulture, etc. . .	33,000
Mining and quarrying	679,000
Metals, machines, conveyances, etc.	686,000
Textiles	429,000
Clothing, including boots and shoes	176,000
Woodwork and furniture	58,000
Paper, printing, etc.	204,000
Building	298,000
Railway service	452,000
Other transport and general labor.	1,052,000
Commerce, finance, etc.	324,000
National and local government . .	519,000
Teaching	246,000
Miscellaneous	152,000

British workers are organized into three main types of unions:

1. Craft unions with the membership belonging either to a single craft or to federations of two or more crafts.

2. Unions which are substantially industrial in form, such as the National Union of Railwaymen or the miners' unions.

3. General unions which take in unskilled workers from all industries, but which are also open to skilled or craft workers in areas where no suitable craft unions exist. Most important among these unions are the Transport and General Workers Union and the National Union of General and Municipal Workers.

For purposes of collective bargaining a number of unions embracing about half of the total membership are grouped into 63 federations of different size and composition. Some of these federations are very loosely bound together, while others are so highly developed that they may be regarded as complete amalgamations of the unions involved. The differences are the result of historical growth and the different customs, practices, and traditions in the various industries of Great Britain. Most of the unions are affiliated with the Trades Union Congress, while most of the Scottish unions are in addition affiliated with the Scottish Trades Union Congress.

EMPLOYER ASSOCIATIONS

The development of employer organizations in Great Britain, first locally and then on an industry-wide basis, has also been gradual. They were first organized primarily to combat the growth of trade-unions. The result was a series of severe and protracted conflicts with labor, some of which were terminated only with the help of Government interference or special legislation. It was not, however, until the employer association entered into bona fide collective bargaining with the respective unions, and joint organizations for the settlement of disputes were established, that more or less permanent industrial peace was attained.

At the end of 1936 there were in Great Britain 266 general federations or associations of employers, each covering the whole of an industry or a service, for the purpose of dealing exclusively with labor matters. In addition, there were 1,550 other employer associations, chiefly of a local or district character. Many of these are affiliated with the general associations and are members of the National Confederation of Employers Organizations which deals with the broader aspects of labor relations and labor policies.

PROCEDURE FOR SETTLING DISPUTES

The agreements negotiated for the different industries in Great Britain vary considerably as

to provisions for wages, hours, and working conditions. Some agreements provide for wages to be paid on an hourly or weekly basis while others provide for piece rates. Some include differentials based on changes in the cost of living and others provide for bonus payments based on the output of individual workers. There are many differences in the provisions relating to overtime, starting and stopping time, holidays, etc. Almost invariably, however, the agreements or the rules of procedure contain specific provisions outlining the steps to be taken in settling disputes which may arise either in connection with basic changes in the agreements or in connection with the interpretation of existing provisions.

Basic changes in wages and hours are generally negotiated by the national unions with associations of employers, and not with individual employers. If these negotiations fail, the general tendency is to submit the case to an impartial agency either specified in the agreement or mutually agreed upon during the negotiations. The decision of this impartial agency is generally accepted by both sides, although the parties rarely bind themselves in advance to follow its decisions.

If a local dispute arises as to the application or interpretation of an agreement, or a grievance arises which cannot be settled directly by the workers concerned and their employers, it is taken up by the local trade-union representative or works committee. If not settled in this manner, the problem is referred to a joint body composed of representatives of the district union and the district employer association. The next step is to refer the matter to a joint body composed of representatives of the national union and the national employer association. Finally, if the national organizations fail to agree, provision is usually made to refer the dispute to arbitration, which may or may not be binding.

This step-by-step procedure has proven very effective in settling many disputes between labor and employers without recourse either to a strike or lockout. It serves to remove local disputes and grievances which cannot be settled locally from the parties directly concerned to the organizations of employers and workers which are in a better position to deal with the problem in an impartial manner. The time required to complete these various conciliation steps varies considerably. However, the tendency is to make the procedure short enough to satisfy the workers involved, yet sufficiently long to allay the tension caused by disputes and to make sure that all possibilities of collective conciliation are fully utilized.

COMPULSORY ARBITRATION OPPOSED

The procedure of collective bargaining and the machinery for the settlement of disputes in Great Britain is entirely voluntary. Both employer and worker organizations are opposed to compulsory arbitration either as a law of the land or incorporated in their collective agreements. Both sides prefer to retain their right of direct action as a last resort. They believe that provisions for compulsory arbitration weaken the entire procedure of collective bargaining and of settlement of disputes because of the tendency of the parties involved to rely too much on arbitration as such.

INTERUNION DISPUTES

Jurisdictional disputes between unions on the question as to whether a particular operation should be performed by one type of craftsman or another are generally settled by the unions themselves. Many national federations of unions have developed special machinery to deal with these problems. In addition, the Trades Union Congress, to which most unions are affiliated, has the power to summon the contending unions before a disputes committee of its council. The committee is generally composed of members which have no connection with the unions involved in the controversy. It has the power to make final decisions on jurisdictional controversies and in case of noncompliance the Trades Union Congress may suspend the offending union. In extreme

cases a Court of Inquiry is appointed by the Minister of Labor to investigate. These methods have been generally, though not entirely, successful in avoiding stoppage of work due to jurisdictional disputes.

Another cause of disputes between unions hinges on the question of which union shall have the right to organize a certain type or group of workers. Such disputes are often called organizational disputes. Due largely to the effective work of the machinery devised by the unions themselves, few stoppages of work have resulted from disputes of this type.

The Trades Union Congress is composed of craft, industrial, and general unions and has consistently taken the stand that no union has exclusive right to organize any class of workers. In order to protect the interests of one union from the encroachment by another, the Congress in 1924 adopted the following principles:

1. All applicants for membership in a union must state in their application whether they are or have been members of any other union and what their financial relationship is to that union.

2. No member of any union can be accepted by another union without inquiry from the union concerned or be allowed to escape from obligations to one union by joining another.

3. Under no circumstances is a union permitted to accept members from another union which is engaged in a trades dispute.

GOVERNMENT CONCILIATION AGENCIES

In addition to the voluntary conciliation machinery created jointly between organizations of employers and workers, there exist in Great Britain a number of Government agencies whose function it is to aid and to cooperate with the existing voluntary machinery to further peace in industry.

Arbitration. The Minister of Labor is sometimes called upon under the provisions of a collective agreement to appoint impartial chairmen or arbitrators. For this purpose the Minister of Labor maintains a panel of qualified and experienced citizens who are willing, when called upon, to serve as arbitrators or as impartial chairmen. The existence of this panel and the general knowledge of who its members are, partly accounts for the confidence of both employer and worker organizations in the arbitration procedure of the Government.

Conciliation. The Minister of Labor also maintains a staff of full-time trained conciliators whose duty it is to keep in intimate touch with industrial conditions and labor relations in the area which they cover. The conciliators have no power to enforce their recommendations, and their success in settling disputes depends largely on their knowledge of the industry and its problems as well as their skill in conciliation.

The Industrial Court. A permanent Industrial Court was created in 1919 to decide controversies submitted to it by the Minister of Labor with the consent of both parties. The Industrial Court is used only after all attempts to settle the controversy through the existing voluntary machinery has failed. The court is appointed by the Minister of Labor and is made up of members representing industry, labor, and the public. Unless otherwise agreed to by the parties, the decisions of the court are not binding, although they are generally accepted.

Trade Boards. The Minister of Labor has the power to set up a trade board to determine minimum wages and minimum standards of work in any industry where in his opinion no adequate voluntary machinery exists for the effective regulation of wages in the trade. However, neither the Government nor the labor or employer organizations regard this procedure with favor, and it is being used only after every possibility of voluntary determination of wages and working conditions has been explored. Even then the Minister of Labor prefers to have a certain minimum of voluntary agreement within the trade before it proceeds to set up a trade board.

Hourly Earnings in Radio Manufacturing

The hourly earnings of all workers, regardless of skill, in the manufacture of radio sets, parts, and tubes averaged 54 cents in August 1937, according to a survey of these three branches of the radio industry by the Bureau of Labor Statistics. Between two-thirds and four-fifths of the workers employed were semiskilled, and in most plants women constituted a large proportion of the working force. Their earnings in most instances were lower than the earnings of men employed on similar work. It was also found that plants employing a large number of workers usually had a higher average hourly wage rate for their employees than did smaller establishments.

Twenty-seven of the 59 plants surveyed operated under an oral or written agreement with either the United Electrical and Radio Workers of America or the International Brotherhood of Electrical Workers, and 6 establishments dealt with independent unions. Organization of radio workers was most prevalent in plants located in the eastern States, although unions were by no means exclusively confined to this section of the country.

In general, average hourly earnings were higher in the establishments which had union contracts, but this was not uniformly the case. For example, among concerns manufacturing radio parts, the plant with the highest average hourly earnings and the plant with the lowest average both reported agreements with a Nation-wide trade-union. In plants manufacturing radio sets 15 of the 24 concerns studied had union agreements with their workers. Average earnings in these plants ranged from 45 cents to more than 65 cents an hour. Among the 9 other plants, several averaged less than 40 cents an hour and the majority were concentrated in the range from 45 to 55 cents an hour.

Pressing Speaker Cones to Frames

RADIO SETS

Wide variations in hourly earnings were reported in the radio-set branch of the industry. In two of the largest plants, average earnings of 73 cents per hour were 10 cents higher than in the next largest plants, and considerably higher than in the medium- and smaller-sized establishments, where the plant average frequently fell below 55 cents.

Differences between hourly earnings of men and women performing the same type of work were quite pronounced in all plants. Among the skilled workers, men averaged 78.5 cents per hour, compared with the women's average of 52.5 cents per hour on jobs requiring the same degree of skill. Men employed on semiskilled jobs averaged 67.5 cents per hour, or nearly one-third more than the 51 cents averaged by semiskilled woman workers. Among the unskilled workers, the men's average of 57.5 cents exceeded by 10 cents an hour the 47.5 cents paid unskilled woman wage earners.

Earnings by Size of Plant. About 40 percent of the more than 14,000 workers surveyed in the

radio-set branch of the industry were employed by two large producers. Practically no worker earned less than 47.5 cents per hour in these two establishments. This is in marked contrast to the remainder of the industry, where nearly half of the wage earners averaged less than this amount per hour. At the same time, nearly one-half of all the workers in the two large concerns earned 72.5 cents or more per hour, compared with about 1 out of every 10 workers in other firms.

Among the skilled men employed by the two large producers, tool and die makers averaged the highest earnings -- $1.07 per hour. Next were aligners of sets -- highly experienced workers who tune, adjust, and calibrate each radio set to correct frequency and wave length. These workers averaged $1.05 per hour. Winders of transformer coils, the lowest paid group of skilled men, averaged 76 cents per hour. The only skilled occupations of women in these two plants for which representative average hourly earnings could be obtained were working supervisors, parts adjusters, and winders of transformer coils. They averaged between 63.5 and 67.5 cents per hour.

HOURLY EARNINGS IN SELECTED OCCUPATIONS IN RADIO MANUFACTURING, AUGUST 1937

OCCUPATION	AVERAGE HOURLY EARNINGS	
	TWO LARGEST PLANTS	ALL OTHER PLANTS
	In cents	
SKILLED		
Aligners, sets		
Men	105.0	71.0
Inspectors, chassis assembly		
Men	82.0	60.0
Women	***	51.0
Machinists		
Men	94.0	89.0
Supervisors, working		
Men	88.0	76.0
Women	67.5	54.5
Testers, final		
Men	88.5	66.0
Tool and die makers		
Men	107.0	93.0
Trouble shooters		
Men	94.0	75.0
SEMISKILLED		
Assemblers, chassis		
Men	76.5	48.0
Women	59.0	46.0
Assemblers, final, sets		
Men	76.0	53.0
Women	57.5	44.5
Inspectors, parts		
Men	81.5	60.0
Women	62.5	49.0
SEMISKILLED (Continued)		
Punch press operators		
Men	90.5	60.5
Women	67.0	***
Riveters, eyeletters, etc.		
Men	***	48.5
Women	62.0	48.5
Solderers		
Women	59.5	46.0
Testers, parts		
Men	79.5	56.5
Women	58.0	46.5
Winders, flat coils		
Women	65.0	44.0
Wirers, sets		
Men	75.0	48.5
Women	60.5	42.0
UNSKILLED		
Assemblers, coils		
Women	64.5	49.0
Laborers		
Men	64.5	53.0
Material handlers		
Men	68.5	53.0
Women	59.5	***
Starters		
Men	***	42.5
Women	***	40.0

*** *Not a sufficient number of workers to justify presentation of data.*

In the remaining radio-set manufacturing plants, tool and die workers were also the highest paid group of skilled workers and averaged 93 cents per hour. Most of the skilled women in the same plants were employed either as working supervisors averaging 54.5 cents, inspectors of assembled chassis at 51 cents, or testers of set circuits with an average of 45.5 cents per hour.

RADIO PARTS AND TUBES

Slightly more than two-thirds of the employees engaged in the production of radio parts were

Exhausting Air From Metal Tubes

semiskilled, about 12 percent were skilled, and the remainder, about 19 percent, unskilled workers. Average hourly earnings for all workers in this branch of the industry was 48 cents.

Over half of the men employed in skilled occupations earned 67.5 cents per hour or more, compared with only about 6 percent of the skilled women. In semiskilled jobs, hourly earnings of two-thirds of the men manufacturing radio parts ranged from 37.5 to 57.5 cents per hour. The earnings of two-thirds of the women engaged in semiskilled tasks were concentrated in a more narrow range, varying from 32.5 to 47.5 cents per hour.

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AVERAGE HOURLY EARNINGS OF WORKERS IN 3 BRANCHES OF THE RADIO INDUSTRY, AUGUST 1937

SEX AND SKILL	SETS	PARTS	TUBES
	In cents		
All employees . .	61.0	48.0	48.0
Men	69.5	54.5	63.5
Skilled	78.5	73.0	77.0
Semiskilled	67.5	51.5	56.5
Unskilled	57.5	44.5	51.0
Women	50.5	42.0	44.0
Skilled	52.5	47.5	49.5
Semiskilled	51.0	42.5	44.5
Unskilled	47.5	38.0	37.5

The tube branch of the industry employed the largest proportion of semiskilled workers, about 80.5 percent, as well as the largest proportion of woman workers -- about 82.5 percent.

Earnings of the men employed were spread over a relatively wide range, beginning with 22.5 cents and rising to $1.20 or more per hour for a few highly skilled occupations. The range of earnings of the women employed, on the other hand, was sharply restricted. Only one woman employee averaged more than 62.5 cents. The great majority of women (75 percent) earned between 32.5 and 52.5 cents per hour.

Testing Radio Tubes

What International Labor Conferences Mean to Labor

Marion H. Hedges, Research Director
International Brotherhood of Electrical Workers

It was at one of those unofficial gatherings of labor leaders at Geneva in June that a veteran leader said: "I have been in the international labor movement for 40 years. I have about come to the conclusion that with all our efforts we have benefited our following very little. I shall have to add, however, that I believe we have done a great deal for the children of the workers. They have a larger opportunity and a better chance in life."

This astounding statement immediately arrested attention. Most of those present at the tea were moved by the man's frankness. He went on to say, "We have not yet found a way to do something for the minds of our membership. We have done a good deal for their physical welfare. Our real problem lies ahead."

Considering the fact that this summary of 40 years' experience came from one of the most respected European labor leaders, who has had contacts in every country of Europe, Great Britain, and even the United States, it cannot be brushed aside as merely the unconsidered chatter of an idle hour. The value of the International Labor Conferences must not be judged in the light of their day-to-day or year-to-year performances. Their accomplishments can be appraised only when measured over a long range of years covering a generation or more.

The 1938 International Labor Conference in Geneva showed remarkable vitality. It was especially of great interest to Americans. One of the official delegates and a principal speaker at the conference was Miss Frances Perkins, the first American Secretary of Labor to attend a Conference. During the session, Mr. John G. Winant, formerly chairman of the Social Security Board, was elected Director of the International Labor Office. Mr. Winant will take office on January 1, 1939, and succeeds Mr. Harold Butler of Great Britain who has been the Director of the I.L.O. since the death of Albert Thomas of France in 1932.

The program of this year's Conference covered a series of problems of vital concern to the United States. Among these were the adoption of a convention to develop a more uniform system of reporting statistics and discussion of reduction of hours of work.

Despite the unsettled conditions of world affairs, the Conference was attended by 410 representatives from 50 countries. Nine Ministers of Labor, several from the largest countries, were present, as well as many prominent trade-union leaders and a number of important officers of employer organizations.

The International Labor Conference is a tripartite organization. It is made up of representatives of governments, of labor, and of employers, with the three groups having equal rights in participating in the Conference and in making decisions. Its work may be described in labor terms as similar to that of setting up national standards by collective

The American governmental delegates to the 1938 International Labor Conference at Geneva were Miss Frances Perkins, Secretary of Labor; Miss Frieda S. Miller, New York State Department of Labor; and Mr. Carter Goodrich, United States Labor Commissioner at Geneva. The employer delegate was Mr. Henry I. Harriman, Chairman of the Board, New England Power Association, and former President of the United States Chamber of Commerce; and the worker delegate was Mr. Robert J. Watt, Director of Social Security Policy, American Federation of Labor. Each group had its corps of advisers and specialists, bringing the American delegation total to an even twenty. Mr. Hedges was one of the seven technical advisers to the worker delegate.

bargaining. Labor representatives sit opposite employer representatives and negotiate treaties, while government representatives hold the balance of power and seek to decide each question on its merits and in the light of social justice and technical feasibility. There is absolute equality as between labor and employers. Labor has the same right to initiate measures as the employer, and as a matter of fact, the worker delegates have furnished the dynamics of the Conference during all these years. The actual procedure might be briefly described as "labor proposes, employers object, and governments dispose." Within this tripartite framework an intensive series of negotiations is carried on between employers and workers on hours, working conditions, standards of living, and other social problems vital to every nation in the world.

Some workers have claimed that they see no immediate beneficial results to themselves from the international cooperation at Geneva. It is indeed difficult to add up the credits and debits of the Conferences held annually in Geneva and to indicate precisely the benefits American labor has received from them. One reason for this is that the results of international cooperation take time. They may appear perhaps 10 years later than they would on a national basis. Just as a Federal law in the United States requires more time to show results than a State law or a city ordinance, so it takes even longer for world standards to exert their influence upon the world. Yet, because this is so, one must not underestimate the returns to American labor from the Conferences in Geneva. The convention on labor statistics ratified this year may well be used to prove this point.

CONVENTION ON LABOR STATISTICS

Ever since the 1870's when the rise of modern industrialism in the United States began, American workers have been told that they have the highest standard of living in the world. They have usually accepted this assertion as a fact and for generations have supported high tariffs as a safeguard of the American standard of living. It is not necessary to discuss the beneficial or harmful effects of high tariffs or similar measures upon the destinies of American workers to stress the point that nobody actually knows whether the American standard of living is the highest standard of living in the world today. If one judges merely by the physical well-being of the worker, that is, by the type of house he lives in, whether he has a bathroom, whether he has the use of electricity, or whether he drives a car, it may well be that the American worker is better off than any other worker in the world. On the other hand, if one takes into consideration certain other factors, such as social security, personal happiness, participation in civic and other rights, it may well be that the workers of other nations may challenge this supremacy of American labor.

The International Labor Conference this year has taken a long step toward settling this point. It adopted a convention on labor statistics, which provides that comparable information be gathered by the proper agencies in all nations on earned incomes of workers in nearly all fields, including manufacturing, building construction, and agriculture. When this material is actually accumulated and analyzed, which may take a long time (possibly 10 years), a sound basis will be laid for a comparison of the real standards of living attained by workers in different countries.

REDUCTION OF HOURS OF WORK

The work of the Conference aiming toward a general reduction of hours of work also proved of great value. A questionnaire on hours of work in the different industries was prepared and will be sent out to all the governments to obtain their views on the problem. The factual material will then be presented to the next year's Conference for discussion. The Conference also adopted the suggestion of the technical tripartite meeting of May 1938 to place the question of shorter hours of work in coal mines on the program

for the 1939 meeting. A slightly different procedure was adopted for the transport industry.

The work done by the International Labor Conference this year reflected the important influence of the United States upon international affairs. When American delegates first went to Geneva in 1935, they found an institution which had been in existence about 15 years. It had deep-rooted precedents and traditions. What struck American representatives was the fact that the decisions of this world Conference were made with very little regard to technical and statistical information. The procedure had been for the International Labor Office to send questionnaires to governments several months prior to the June Conference. The answers of the governments were supposed to furnish the technical data needed for the Conference. Actually, however, what happened was that the governments generally made perfunctory replies, often even without consulting with labor on the matter.

American representatives objected to this procedure and suggested that no convention be considered by the Conference without first accumulating and examining all the data that may have a bearing on the question. As a result, the procedure of technical Conferences was adopted as illustrated by the 1937 textile meeting in Washington. This meeting was held exclusively for the purpose of obtaining all facts available on the textile industry prior to submitting the problem of a shorter workweek in the textile industry to the International Labor Conference at Geneva.

The policy of holding tripartite technical meetings for the purpose of obtaining all the relevant information rests on sound psychology. Arguments seldom, if ever, change the minds of persons involved in a controversy. Facts do. The procedure of obtaining accurate and exhaustive information has enabled the International Labor Conference to have more harmonious meetings and to arrive at decisions much more rapidly than was possible under the old methods.

Not all the nations of the earth are in the same stage of industrial development, yet no one can sit in an International Labor Conference without coming to the conclusion that nations do have common problems demanding common solutions. American labor representatives have also come to realize that nearly all labor leaders, in democratic countries at least, are very much in agreement as to solutions for their country's industrial difficulties.

American workers look upon their country as an advanced country. The United States has brought industrialism to the highest pitch of endeavor. Yet, if we are honest, we must be aware that other countries may have valuable suggestions for the solution of our problems. This was certainly true in the case of the social security legislation passed in 1935. We did not copy our social security plan from any European country, yet we relied heavily upon the information gathered at Geneva and borrowed freely from the practices which in some European countries have been in effect for nearly a quarter of a century.

Traveling in Europe this year, American representatives saw everywhere evidence that American products do not stay at home. American automobiles, movies, soap, stockings, sport goods, tobacco, etc., everywhere greet American visitors to Europe. American businessmen who manufacture and sell these products are active in European affairs and take part in setting European labor standards. American workers are therefore compelled to participate in creating proper labor standards in the international field if they are to protect their standards at home. The International Labor Conference offers the only democratically controlled agency by which American workers can have their say as to what standards they want to prevail throughout the world. The International Labor Conference has the necessary experience and the technique, and has worked out the formulas by which workers can get their points of view honestly and freely considered and often adopted.

VACATIONS WITH PAY FOR WAGE AND SALARIED WORKERS

The practice of granting vacations with pay to wage earners as well as to office workers has been greatly extended in the last few years. More and more wage earners in both manufacturing and nonmanufacturing industries have been receiving annual vacations with pay, according to a survey made by the Bureau of Labor Statistics. In 1937 about 2 out of every 5 wage earners in manufacturing industries were employed in plants which had vacation-with-pay plans. It is estimated that 3,500,000 wage earners were employed in manufacturing and nonmanufacturing establishments with annual paid vacations.

The actual number of workers covered by annual-vacation plans varied widely from industry to industry. In two branches of the chemical industry—petroleum refining and the manufacture of druggists' preparations—virtually all wage earners worked under paid-vacation policies. Five out of every six wage earners in crude-petroleum refining were similarly covered. The recent widespread adoption of annual-vacation plans in the iron and steel industry has extended the coverage to about three-fourths of the workers employed in the industry. In machinery manufacturing, rubber, food, and nonferrous metals, more than half of the wage earners employed were covered in 1937. On the other hand, less than 10 percent of the wage earners in textiles and in lumber were covered and in coal mining less than 1 percent of the wage earners enjoyed annual vacations with pay.

In general, the survey of the Bureau of Labor Statistics revealed that vacation-with-pay plans were least prevalent in industries which are characterized by low wages, small plants, highly seasonal operations, heavy work, or isolated location. Among these were mining and quarrying, lumber, and the textile group of industries. Vacations with pay were likewise not widespread in tobacco; leather; paper and printing; stone, clay, and glass products; and transportation equipment, including automobiles.

Salaried Employees. Office workers have been enjoying the benefits of vacations with pay for a number of years to the extent that they accept their vacations as an established custom. Nearly 95 percent of the 700,000 salaried workers covered in the sample studied by the Bureau of Labor Statistics were covered by provisions for annual vacations with pay.

Some of the larger companies had adopted the policy of giving vacations with pay to their office workers prior to the World War. With the extension of coverage to wage earners, the number of salaried workers covered has also been greatly increased. Although the sample revealed a very high percentage of salaried employees working under paid-vacation plans, it was found that more than one-fifth of the industrial establishments did not give their salaried workers paid vacations and in some individual industries such as cigars, textiles, laundries, lumber, and coal mining the proportion of plants without vacation plans was even higher. As a rule, the same industries which were slow in adopting policies of vacations with pay for their wage earners were equally slow in applying them to their salaried employees.

WAGE EARNERS UNDER VACATION PLANS IN SELECTED MANUFACTURING INDUSTRIES, 1937

INDUSTRY	ESTIMATED NUMBER	PERCENT OF JUNE 1937 EMPLOYMENT
All manufacturing . . .	3,326,400	39.3
Chemicals and petroleum . .	354,800	86.4
Iron and steel	640,300	73.5
Food and kindred products .	422,700	65.5
Machinery manufacturing . .	726,500	63.5
Nonferrous metals	182,200	56.6
Paper and printing	135,100	23.8
Transportation equipment .	166,700	23.4
Textiles and their products	155,000	9.2

Working Women and Old-Age Insurance

Mary M. Dewson, Member
Social Security Board

Women are covered by the Social Security Act on the same terms as men. But in one curious way, working women come off comparatively better than men under the act's old-age insurance program. This arises from the very fact that women, as a rule, earn less than men and work a shorter time. This may not seem to make sense, but it is true, nevertheless.

Take, for example, the girl who goes to work in a store, an office, or a factory when she leaves high school and works until she marries--about 5 years later. Suppose she averages $15 a week during those 5 years. If she never earns another cent as long as she lives, she will have built up a claim to a Government check for $15.75 a month, beginning when she is 65 and continuing as long as she lives.

Even part-time wages, or wages for occasional work, if the job is covered by the Social Security Act, count toward old-age benefits. Home workers--women who work at home for manufacturers or contractors--making baby's garments, bedspreads, quilts, lace, jewelry, toys, artificial flowers, and many other things we buy in the city stores--these women, too, are covered by this law. Many of them have work enough to make only $200 a year all told.

At that, after 10 years' work, these women will be able to draw, when they are 65 years old, $120 a year in payments of $10 a month as long as they live. If they have worked 20 years averaging $200 a year, their old-age benefits will amount to $15.83 a month.

As for the women who keep on working at some regular job year after year, from girlhood up to 65, they of course build up a better income for their old age, just as men do. After 30 years' work at pay averaging $15 a week or $780 a year, their benefits, if they stop working at age 65, will be $32 a month for the rest of their lives. At pay averaging $25 a week for 30 years, the retirement benefit is $45 a month. At pay of $50 a week, the benefit is $63.75 a month.

It is true that the worker has to pay something for this insurance. Her contribution amounts to a few cents a week — 1 cent on each dollar of wages now and a little more every 3 years until 1949, but never, under the present law, more than 3 cents on the dollar. This is the worker's social-security tax. It is taken out of her pay by her employer and turned over to the United States Government with an equal amount from the employer's own pocket. Because the employer pays half the "premium", so to speak, the old-age insurance plan set up in the Social Security Act gives the worker an extraordinarily good return on his or her money.

Compare the benefits with the worker's taxes: The girl on $15 a week for 5 years, beginning January 1, 1937, pays a total tax of $46.80. If she begins to draw benefits at 65 and lives to be 75 years old, she will receive, in checks of $15.75 each, a total benefit payment of $1,890. That is more than 40 times the amount of taxes she has paid. If she should not live to receive any of her benefits, her family or "estate" will receive a lump sum amounting to $136.50, or almost three times the amount of her taxes.

The woman who works for wages all her life will, of course, receive much more than the girl on $15 a week for 5 years. If she averages $25 a week for 30 years, her monthly retirement benefit at age 65 will be $45 a month, and by the time she is 75 years old she will have received a total of $5,400. Her social-security taxes from 1937 on will have amounted to $975 over the 30 years she was at work, so her benefits will be more than five times the cost to her.

Women who have only a few years to work before they are 65, and whose wages are very low, or very irregular, may not be able to build up a monthly retirement benefit under the Social

Security Act. They will receive, however, a single cash payment at age 65 which amounts to 3½ percent of their total wages since 1936. Suppose, for example, a woman now past 63 is making about $7 a week most of the time, and that from January 1, 1937, until she is 65 she earns, in all, $1,000. That would entitle her to a single cash payment of $35. She would have paid $10 in social-security taxes, but her benefit is 3½ times as large. In other words, whether the worker builds up monthly retirement benefits or only a single cash payment at the age of 65, she may be sure of getting her money back with interest. Usually she gets back several times the amount she paid out in social-security taxes.

The Wage and Hour Division of the Department of Labor

Effective October 24, 1938, all workers in industries covered by the Fair Labor Standards Act are assured of wages of not less than 25 cents an hour and a maximum normal workweek of 44 hours. To enforce these and other provisions of the law, President Roosevelt on July 15, 1938, appointed Mr. Elmer F. Andrews as Administrator of the Act. Mr. Andrews, formerly industrial commissioner of the New York State Department of Labor, is in charge of the newly created Wage and Hour Division in the Department of Labor. He is assisted by a Deputy Administrator, Mr. Paul Sifton, also from the New York State Department of Labor, and by Mr. Arthur Fletcher, former commissioner of labor in the State of North Carolina. Mr. Fletcher is Assistant Administrator in charge of cooperation and enforcement.

In its desire to raise wage rates above the 25-cent level as soon as possible, Congress authorized the Administrator of the Fair Labor Standards Act to appoint special industry committees composed of an equal number of representatives of employers, employees, and the public. Each industry committee must make a thorough investigation of competitive and economic conditions in the industry, with a view to recommending the highest possible minimum wage the industry can afford to pay without substantially curtailing employment. This rate, however, must not exceed 40 cents an hour.

The committee may recommend different minimum rates for various sections of an industry, but in so doing it must take into consideration freight rates, cost of production, cost of living, and wages paid in other industries.

The recommendations of an industry committee are not final. They are submitted to the Administrator, who, after due notice, must hold public hearings on the recommendations. If it is found that the recommendations of a committee are in accordance with the law and supported by evidence at public hearings, the Administrator may issue a wage order putting into effect the committee's recommendation.

If the recommendations are not reasonable, the Administrator may reject them and either refer them to the same committee for further study or appoint a new committee. However, he does not have the power to fix minimum-wage rates other than those recommended by an industry committee.

The first industry committee was appointed on September 13 to prepare recommendations for minimum wages in various branches of the textile industry. This committee is composed of 21 members, with equal representation of employees, employers, and the general public. Mr. Donald Nelson, vice-president of Sears Roebuck & Co., a public member of the committee, was named as chairman.

EMPLOYMENT AND PAY ROLLS IN AUGUST 1938

The August gain in nonagricultural employment was estimated at approximately a quarter of a million workers. Compared with the same month a year ago, however, about 3,000,000 fewer persons had jobs in industries other than agriculture.

Manufacturing industries reported widespread gains in the number of workers employed. Most nonmanufacturing industries, on the other hand, had fewer workers on their pay rolls in August than in the preceding month. This was due largely to seasonal decreases in anthracite mining, retail trade, and numerous service industries. Bituminous coal mining, wholesale trade, and private building construction, added workers during the month. For the third successive month class I railroads increased the number of workers on their pay rolls. The gain in railroad employment during the month amounted to about 10,000.

MANUFACTURING INDUSTRIES

The increase of 323,000 in factory employment in August was considerably larger than is usual for this time of the year. In the durable-goods group of manufacturing industries employment increased for the first time in 10 months. Steel mills expanded their forces by 6,500 and electrical machinery plants by 3,700. Substantial gains were also recorded in foundries and machine shops, furniture factories, and sawmills.

The largest increases in employment, however, occurred in the nondurable-goods industries, especially in men's and women's clothing, cotton goods, and knit and woolen goods. In canning, a highly seasonal industry, about 65,000 additional workers were put to work during the month.

Gains of about 7 percent or more in factory employment and weekly pay rolls in August were reported to the Bureau of Labor Statistics in the following industries:

INDUSTRY	PERCENT OF INCREASE EMPLOYMENT	PAY ROLLS
Canning	43.3	33.0
Women's clothing	22.5	47.4
Men's clothing	16.3	31.6
Silk and rayon	11.3	18.6
Woolen and worsted	10.4	12.8
Shirts and collars	9.2	20.2
Stamped ware	7.4	18.1
Confectionery	7.2	12.2
Glass	6.9	15.9

The most important decline during the month occurred in the automobile industry, where approximately 18,000 workers were laid off because of plant shutdowns preparatory to the production of 1939 models. Among other industries employment was lower in shipyards, airplane factories, and machine-tool manufacturing.

Eighteen manufacturing industries reported decreases in wage rates during the month. These reductions affected about 32,100 wage earners, the great majority of whom were in cotton mills. Wage increases were reported by several industries, principally metal mining, where 5,000 workers were affected, and electric railroads and motorbus lines, where 2,000 men received increases in their rates of pay.

DURABLE-GOODS INDUSTRIES

Employment. Approximately 57,600 workers were added to the pay roll of the durable-goods groups of industries in August. Employment advanced by 27,300 in lumber, 22,300 in iron and steel, 14,100 in machinery manufacturing, 10,000 in nonferrous metals, and 7,000 in stone, clay, and glass. The transportation-equipment group of industries (including automobiles) reported a decline of 23,100 wage earners.

All durable-goods groups combined employed 1,360,000 fewer workers this August than in August 1937. The largest declines in employment

ESTIMATED EMPLOYMENT AND PAY ROLLS IN MANUFACTURING INDUSTRIES

AUGUST 1938, JULY 1938, and AUGUST 1937

INDUSTRY	NUMBER OF WORKERS EMPLOYED			AMOUNT OF WEEKLY PAY ROLL		
	AUGUST 1938*	JULY 1938‡	AUGUST 1937	AUGUST 1938*	JULY 1938‡	AUGUST 1937
All industries	6,784,100	6,460,900	8,611,500	$145,973,000	$134,034,000	$205,307,000
Durable-goods groups:	*2,764,700*	*2,707,100*	*4,120,700*	*63,752,000*	*58,729,000*	*110,699,000*
Iron and steel	706,700	684,400	1,032,400	16,552,000	14,594,000	31,120,000
Machinery	748,200	734,100	1,150,300	18,254,000	17,348,000	32,456,000
Transportation equipment	289,600	312,700	628,300	8,435,000	8,762,000	19,125,000
Nonferrous metals	207,300	197,300	276,300	4,843,000	4,397,000	7,153,000
Lumber	579,600	552,300	743,400	10,616,000	8,914,000	13,929,000
Stone, clay, and glass	233,300	226,300	290,000	5,052,000	4,714,000	6,916,000
Nondurable-goods groups:	*4,019,400*	*3,753,800*	*4,490,800*	*82,221,000*	*75,305,000*	*94,608,000*
Textiles	1,556,100	1,411,100	1,767,900	25,531,000	21,096,000	30,156,000
Leather	298,300	288,900	326,100	5,365,000	4,848,000	6,120,000
Foods	923,200	854,500	981,500	19,980,000	19,489,000	21,468,000
Tobacco	90,000	85,100	91,800	1,333,000	1,270,000	1,382,000
Paper and printing	545,400	539,100	591,600	14,568,000	14,256,000	15,980,000
Chemicals	358,300	348,100	417,700	9,700,000	9,211,000	11,456,000
Rubber	98,600	92,300	130,700	2,403,000	2,223,000	3,371,000
Unclassified	149,500	134,700	183,500	3,341,000	2,912,000	4,675,000

* Preliminary ‡ Revised

over the year interval were 402,100 in machinery manufacturing, 338,700 in transportation equipment, and 325,700 in iron and steel.

Weekly Pay Rolls. Aggregate weekly earnings of durable-goods employees rose $5,023,000 in August. Except for a drop of $327,000 in the pay rolls of the transportation-equipment industries all durable-goods groups reported larger weekly wage payments than in July. The gains amounted to--

$1,958,000 in iron and steel
1,702,000 in lumber
906,000 in machinery manufacturing
446,000 in nonferrous metals
338,000 in stone, clay, and glass

The total weekly wage income of durable-goods workers in August 1938, however, was $46,950,000 smaller than in August a year ago. This loss resulted from pay-roll reductions of $14,570,000 in iron and steel, $14,200,000 in machinery manufacturing, $10,690,000 in transportation equipment, $3,310,000 in lumber, $2,310,000 in nonferrous metals, and $1,865,000 in stone, clay, and glass.

NONDURABLE-GOODS INDUSTRIES

Employment. Slightly more than half of the August gain of 265,600 workers in the nondurable-goods industries was reported in textile manufacturing. About 145,000 workers were added to the pay rolls in this group of industries. Other increases were 68,700 in foodstuffs, 10,200 in chemicals, 9,400 in leather, 6,300 in paper and printing and rubber, and 4,900 in tobacco.

About 471,000 fewer workers had jobs in manufacturing nondurable-goods products this August than in the corresponding month of 1937. Employment was lower in each of the nondurable-goods

groups. The largest declines compared with August a year ago were 211,800 in textiles, 59,400 in chemicals, and 58,300 in foodstuffs.

Weekly Pay Rolls. Wage payments to workers employed in nondurable-goods industries in August averaged approximately $6,900,000 per week higher than in July. Increases in weekly pay rolls were widespread and ranged in amounts from $63,000 in tobacco to $517,000 in leather and $4,435,000 in textiles.

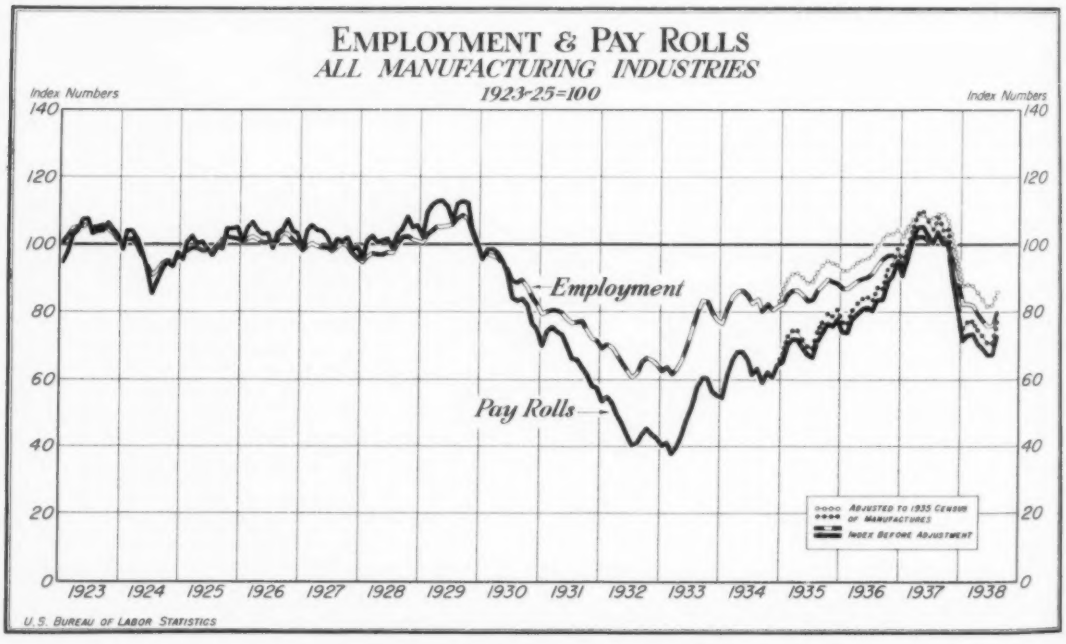
For all nondurable-goods industries combined weekly pay rolls this August were nearly $12,400,000 smaller than in August of last year. The largest declines were $4,625,000 in textiles, $1,756,000 in chemicals, $1,488,000 in foodstuffs, and $1,412,000 in paper and printing.

TREND OF EMPLOYMENT AND PAY ROLLS IN MANUFACTURING INDUSTRIES

Factory employment increased about 5 percent in August. Weekly pay rolls rose 9 percent. Compared with August a year ago employment in manufacturing establishments was 21 percent lower this August. Pay rolls were 29 percent lower.

The Bureau of Labor Statistics revised employment index was 85.9 in August, as against 81.9 in July, 109.1 in August 1937, and 100 as the average for the 3 years 1923-25. The Bureau's pay-roll index was 76.9 in August, 70.6 in July, 108.2 in August a year ago, and 100 for the period 1923-25.

In accordance with its usual policy the Bureau of Labor Statistics has revised its employment and pay-roll indexes to conform with the 1935 Census of Manufactures. The revised month-to-month trends of employment and pay rolls for all manufacturing establishments are indicated on the chart by light and dark circles. The unadjusted indexes are shown by the usual broken and heavy lines. A glance at the chart will reveal that the trend in employment and pay rolls since 1934 has not been materially affected by these changes.



HOURS OF WORK AND EARNINGS IN MANUFACTURING INDUSTRIES

Employment in manufacturing industries averaged nearly 36½ hours per week in August. Hourly earnings averaged 63 cents and weekly earnings $22.85. Compared with August a year ago, hourly earnings were slightly smaller and weekly earnings were about $2.45 smaller this August.

In the five selected durable-goods industries the average weekly hours of work and average hourly and weekly earnings in August 1938 were--

Weekly hours:
- 41.0 in sawmills
- 38.5 in brick manufacturing
- 35.0 in automobiles
- 35.0 in foundries and machine shops
- 29.5 in blast furnaces and rolling mills

Hourly earnings (in cents):
- 92.5 in automobiles
- 83.5 in blast furnaces and rolling mills
- 71.0 in foundries and machine shops
- 52.0 in sawmills
- 51.0 in brick manufacturing

Weekly earnings:
- $32.05 in automobiles
- 24.75 in foundries and machine shops
- 24.70 in blast furnaces and rolling mills
- 20.90 in sawmills
- 19.55 in brick manufacturing

Average weekly hours of work and average hourly and weekly earnings in the five selected nondurable-goods industries in August 1938 were--

Weekly hours:
- 40.5 in slaughtering and meat packing
- 39.5 in paper and pulp
- 36.0 in petroleum refining
- 35.5 in cotton-goods manufacturing
- 30.5 in tires and inner tubes

Hourly earnings (in cents):
- 98.5 in petroleum refining
- 94.0 in tires and inner tubes
- 69.0 in slaughtering and meat packing
- 61.5 in paper and pulp
- 38.5 in cotton-goods manufacturing

Weekly earnings:
- $35.25 in petroleum refining
- 28.75 in tires and tubes
- 27.95 in slaughtering and meat packing
- 24.25 in paper and pulp
- 13.65 in cotton-goods manufacturing

All of the 10 selected durable- and nondurable-goods industries, except slaughtering and meat packing, reported a shorter average workweek this August than in August of last year.

HOURS OF WORK AND EARNINGS IN THE IRON AND STEEL INDUSTRY

INDUSTRY	HOURS OF WORK			HOURLY EARNINGS			WEEKLY EARNINGS		
	AUGUST 1938	INCREASE OR DECREASE		AUGUST 1938	INCREASE OR DECREASE		AUGUST 1938	INCREASE OR DECREASE	
		JULY 1938 TO AUGUST 1938	AUGUST 1937 TO AUGUST 1938		JULY 1938 TO AUGUST 1938	AUGUST 1937 TO AUGUST 1938		JULY 1938 TO AUGUST 1938	AUGUST 1937 TO AUGUST 1938
		Percent	*Percent*	*Cents*	*Percent*	*Percent*		*Percent*	*Percent*
Blast furnaces	29.5	+12.0	-28.6	83.5	*No change*	- 1.6	$24.70	+12.7	-29.9
Bolts, nuts, rivets	31.0	+11.2	-23.1	70.0	+ 0.2	+ 5.5	21.65	+11.3	-18.3
Cast-iron pipe	34.0	- 0.1	- 8.7	58.5	- 0.3	+ 4.5	20.20	- 0.1	- 4.2
Cutlery and edge tools	34.5	+ 2.6	-14.9	61.0	- 2.2	+ 1.5	20.65	+ 0.2	-13.9
Forgings, iron and steel	33.0	+12.0	-17.6	74.0	- 0.9	+ 3.3	24.50	+11.0	-14.6
Hardware	35.0	+10.9	- 9.8	65.5	+ 0.5	- 2.1	23.05	+11.2	-11.5
Plumbers' supplies	34.0	+ 3.3	-13.9	66.0	+ 0.2	+ 1.2	22.50	+ 3.4	-12.8
Stamped and enameled ware	37.0	+ 9.3	- 4.7	62.5	+ 1.6	- 1.9	23.15	+10.0	- 6.8
Steam heating apparatus	35.0	+ 5.6	-12.5	69.0	- 0.2	+ 1.6	24.25	+ 4.9	-10.9
Stoves	36.0	+ 4.7	- 9.0	66.5	+ 0.9	+ 3.9	23.95	+ 6.1	- 5.2
Structural metalwork	37.0	+ 3.1	-10.6	73.0	+ 0.2	+ 2.8	26.95	+ 3.5	- 7.9
Tin cans	39.0	+ 2.8	- 5.5	59.5	+ 1.3	+ 4.9	23.40	+ 4.1	- 1.4
Tools	35.0	+ 7.3	-12.3	61.5	- 1.0	- 0.5	21.65	+ 6.0	-12.0
Wirework	34.0	+10.7	- 1.6	66.5	+ 1.6	- 2.4	22.65	+12.5	- 5.1

Average hourly earnings were slightly higher this August than in August a year ago in foundries and machine shops, petroleum refining, automobiles, and sawmills. In the six remaining selected durable- and nondurable-goods industries workers averaged less than in August 1937. The largest reduction over the 12-month period was in cotton-goods manufacturing and amounted to nearly 8 percent.

With the exception of a slight increase in the average weekly earnings of workers employed in slaughtering and meat packing all selected industries reported smaller average weekly wage payments in August 1938 than in the same month of last year. The largest declines in earnings were 30 percent in blast furnaces and rolling mills and 17 percent in foundries and machine shops.

EMPLOYMENT, PAY ROLLS, WAGES, AND HOURS IN SELECTED NONMANUFACTURING INDUSTRIES

	AUGUST 1938*	INCREASE OR DECREASE: JULY 1938 TO AUGUST 1938	INCREASE OR DECREASE: AUGUST 1937 TO AUGUST 1938
RETAIL TRADE		*Percent*	*Percent*
Employment.....	3,133,800	- 1.4	- 7.2
Weekly pay roll...	$61,309,000	- 2.0	- 7.6
Weekly hours.....	42.5	+ 0.1	- 1.4
Hourly earnings...	$0.55	- 0.7	+ 2.4
Weekly earnings...	$21.75	- 0.6	- 0.5
WHOLESALE TRADE			
Employment.....	1,407,600	+ 1.1	- 4.4
Weekly pay roll...	$42,663,000	+ 0.2	- 6.7
Weekly hours.....	42.5	+ 1.1	- 2.2
Hourly earnings...	$0.70	- 1.4	- 0.9
Weekly earnings...	$29.40	- 0.9	- 2.3
METAL MINING			
Employment.....	56,800	+ 3.9	-38.2
Weekly pay roll...	$1,436,000	+15.2	-47.2
Weekly hours.....	40.5	+ 8.2	-10.4
Hourly earnings...	$0.67	+ 2.6	- 4.4
Weekly earnings...	$27.05	+10.8	-14.7
BITUMINOUS COAL			
Employment.....	367,400	+ 2.1	-17.7
Weekly pay roll...	$7,097,000	+13.2	-25.6
Weekly hours.....	23.5	+10.5	-11.5
Hourly earnings...	$0.89	+ 0.2	- 1.0
Weekly earnings...	$21.40	+10.8	- 9.6
TELEPHONE & TELEGRAPH			
Employment.....	400,900	- 0.2	- 6.3
Weekly pay roll...	$13,202,000	+ 0.6	- 0.8
Weekly hours.....	38.5	+ 0.4	- 0.2
Hourly earnings...	$0.81	+ 0.1	+ 4.8
Weekly earnings...	$30.15	+ 0.7	+ 5.8

	AUGUST 1938*	INCREASE OR DECREASE: JULY 1938 TO AUGUST 1938	INCREASE OR DECREASE: AUGUST 1937 TO AUGUST 1938
HOTELS		*Percent*	*Percent*
Employment.....	263,800	- 0.3	- 4.2
Weekly pay roll...	$3,838,000	*No change*	- 3.9
Weekly hours.....	47.0	+ 0.6	- 2.8
Hourly earnings...	$0.31	- 0.4	+ 1.5
Weekly earnings...	$14.65	+ 0.3	+ 0.3
POWER and LIGHT			
Employment.....	296,600	+ 0.4	- 5.8
Weekly pay roll...	$9,401,000	+ 0.7	- 3.6
Weekly hours.....	40.5	+ 2.4	+ 1.7
Hourly earnings...	$0.83	- 1.7	+ 0.7
Weekly earnings...	$33.55	+ 0.2	+ 2.3
ELECTRIC RAILROADS			
Employment.....	185,600	- 0.9	- 5.4
Weekly pay roll...	$5,944,000	+ 0.7	- 5.0
Weekly hours.....	45.5	+ 1.8	- 4.3
Hourly earnings...	$0.71	+ 0.1	+ 5.4
Weekly earnings...	$32.75	+ 1.7	+ 0.4
LAUNDRIES			
Employment.....	225,300	- 0.3	- 6.8
Weekly pay roll...	$3,617,000	+ 0.2	- 5.6
Weekly hours.....	42.5	+ 0.5	- 2.6
Hourly earnings...	$0.41	- 0.3	+ 4.1
Weekly earnings...	$17.35	+ 0.5	+ 1.3
DYEING & CLEANING			
Employment.....	61,500	- 3.3	- 4.8
Weekly pay roll...	$1,073,000	- 4.2	- 8.7
Weekly hours.....	42.0	+ 0.2	- 4.1
Hourly earnings...	$0.47	- 1.6	+ 1.1
Weekly earnings...	$19.45	- 1.0	- 4.0

* *Preliminary*

Business and Economic Conditions in August 1938

AGRICULTURE

Farm Income. Estimates by the Department of Agriculture indicate that the cash income of farmers from the sale of their products totaled approximately $614,000,000 in August, compared with $609,000,000 in July, and $766,000,000 in August 1937. Lower prices for some agricultural products—particularly wheat and corn—were an important factor in the 20 percent decline in farm income compared with a year ago.

Government payments to farmers aggregated $17,000,000 in August, as against $35,000,000 in July and $5,000,000 in August of last year.

For the first 8 months of 1938, the cash income of farmers including Government payments was estimated at $4,616,000,000. This is 14 percent less than the $5,350,000,000 reported for the same period of 1937.

INDUSTRY AND TRADE

The upward movement in industrial production continued in August with an advance of 6 percent. The Federal Reserve Board's adjusted index for measuring the output of factories and mines was 88 in August, as against 83 in July, 117 in August of last year, and 100 as the average for the 3 years 1923-25.

Output of steel ingots was higher and further increases were also registered in the production of lumber, plate glass, shoes, and many other lines of factory goods. The sharp advance in the textile industry which began in early summer continued in August. Output of tobacco products, principally cigars and cigarettes, increased.

Freight car loadings increased during the month and department store and mail-order store sales were also higher. Sales by variety stores, on the other hand, were not as large as in July.

FEDERAL RESERVE BOARD

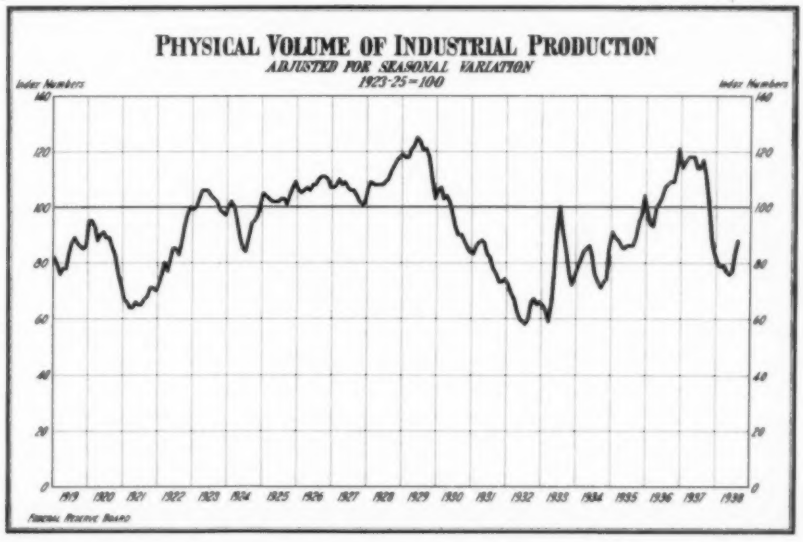
Industrial Production

ADJUSTED INDEX

1923-25 = 100

1938	
August.....	88*
July.....	83
June.....	77
May.....	76
April.....	77
March.....	79
February...	79
January....	80
1937	
December...	84
November...	89
October....	103
September..	111
August.....	117

* Preliminary



BUSINESS AND INDUSTRIAL BAROMETERS

Automobiles. Production of passenger cars and trucks in August declined to approximately 90,500 units--51,000 cars and trucks less than in July and nearly 300,000 less than in August 1937.

Bituminous Coal. About 28,700,000 tons of bituminous coal were mined in August. This compares with 23,360,000 tons in July 1938 and 34,000,000 tons in August a year ago.

Building Construction. Permits issued in August in 2,048 cities for building construction work totaled $157,000,000, compared with about $196,800,000 in the preceding month. The level of building construction activity this August was about 16 percent higher than in August 1937.

Electric Power. Output of electric energy totaled 9,915 million kilowatt hours in August, as against 9,278 million kilowatt hours in July and 10,381 million kilowatt hours in August a year ago.

Railroad Freight Car Loadings. Class I railroads loaded on the average 598,000 cars of freight per week during August. This was about 26,700 cars per week more than in July but 177,100 cars per week less than in August 1937.

Steel. Approximately 2,550,000 tons of steel ingots were produced in August. Output in the preceding month totaled 1,980,000 tons and in August a year ago 4,880,000 tons.

GOVERNMENT EMPLOYMENT AND RELIEF IN AUGUST 1938

Employment in the Federal Service. About 1,220,000 persons had jobs in the Federal Government Service in August. Of this number 757,000 (exclusive of force account, supervisory, and technical employees) were employed in the executive service, 341,300 in the military, 5,400 in the legislative, and 2,075 in the judicial service.

P.W.A. Construction Projects. Approximately 108,900 workers had jobs in August at the site of construction projects financed by the Public Works Administration. Their earnings during the month totaled $9,280,000. In July, about 110,000 persons on P.W.A. projects earned $9,000,000.

Other Federal Government Construction Projects. Employment on projects financed by regular appropriations and the Reconstruction Finance Corporation provided work for 255,600 persons in August, as against 239,000 in the preceding month. Wages to the workers employed totaled $24,900,000 in August, as against $24,300,000 in July.

The Works Program. Projects financed by the Works Progress Administration other than emergency conservation work, student aid, and that part of P.W.A. work financed by The Works Program, employed 3,400,000 persons in August. The total wage income to these workers for the month aggregated about $172,060,000.

Emergency Conservation Work. The Civilian Conservation Corps employed approximately 334,300 enrolled workers, camp supervisors, and instructors in August at a total pay roll of $14,950,000. In July, 316,200 persons had jobs and $14,270,000 was paid out in wages.

General Relief. Preliminary reports to the Social Security Board from 105 urban areas indicate that approximately $23,200,000 was disbursed in general relief to 816,000 families and single persons in August. This was about the same as in the preceding month.

What Happened to Prices in August 1938

Wholesale Prices. The Bureau of Labor Statistics index of wholesale commodity prices declined slightly in August and was 10.7 percent below the level of August 1937. The index, which uses 1926 as the base year or 100, was 78.1 in August compared with 78.8 in July and 87.5 in August a year ago. Thus, the same quantity of commodities which could be bought for $100 in 1926 cost on the average $78.10 in August, $78.80 in July, and $87.50 in August of last year.

INDEX OF WHOLESALE PRICES

ITEM	1926	AUGUST 1938	AUGUST 1937	INCREASE (+) OR DECREASE (−) AUGUST 1937 TO AUGUST 1938
		Index	*Index*	*Percent*
All commodities	100	78.1	87.5	-10.7
Farm products	100	67.3	86.4	-22.1
Raw materials	100	71.4	84.8	-15.8
Semimanufactured articles	100	74.4	86.6	-14.1
Finished products	100	81.8	89.0	- 8.1

Retail Food Prices. The general level of retail food prices was slightly lower in August. It was about 8 percent below that of August 1937. The Bureau of Labor Statistics index, which includes price quotations of 84 foodstuffs sold at retail in 51 cities, was 72.2 in August, 73.7 in July, 78.8 in August of last year, and 100 in 1926. This index shows that for every dollar's worth of foodstuffs purchased in 1926, consumers paid on the average 72.2 cents in August, 73.7 cents in July, and 78.8 cents in August a year ago.

AVERAGE RETAIL FOOD PRICES FOR THE COUNTRY AS A WHOLE

ITEM	RETAIL PRICE		INCREASE (+) OR DECREASE (−) AUGUST 1937 TO AUGUST 1938	
	AUGUST 1938	AUGUST 1937		
	Cents	*Cents*	*Cents*	*Percent*
Bread, pound	8.7	8.9	- 0.2	- 1.8
Butter, pound	32.8	38.8	- 6.0	-15.5
Milk, delivered, quart	12.3	12.5	- 0.2	- 1.6
Eggs, dozen	36.9	37.1	- 0.2	*No change*
Potatoes, pound	1.9	2.0	- 0.1	- 7.1
Lard, pound	13.0	17.5	- 4.5	-25.5
Pork chops, pound	34.3	44.0	- 9.7	-22.1
Round steak, pound	38.2	44.6	- 6.4	-12.5
Sugar, pound	5.2	5.5	- 0.3	- 2.9
Coffee, pound	22.9	26.0	- 3.1	-10.3

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